

# Tennessee Real Estate news-journal

Department of Commerce and Insurance

Volume 16 / Number 3

An Official Publication of the Tennessee Real Estate Commission

Spring 2008

## In This Edition

Rule Changes Effective 2/16/08....	3
Tips from TREC .....	3
Violation of Illegal Alien Employment Act .....	4
Number of Testing Candidates Over Time .....	4
Disciplinary Actions.....	5

## TREC to Provide Spring Seminars

TREC is in the process of designing and scheduling a two hour seminar which will be presented across the state during May and June of 2008. Information concerning these seminars will be placed on the TREC website as soon as plans are confirmed. Please check the TREC website at [www.state.tn.us/commerce/boards/trec](http://www.state.tn.us/commerce/boards/trec) to determine dates, times and places. Licensees will be awarded two hours of continuing education credit if an entire two hour seminar is attended. There is no fee for seminar attendance and reservations are not necessary. Seating is limited to space available at each site.



## Valerie Joh Appointed to Commission

by Governor Bredesen



Governor Phil Bredesen appointed Valerie Joh (last name pronounced "Yo") to the Tennessee Real Estate Commission in late December 2007 and she attended her first meeting in January 2008.

Commissioner Joh, who was born and raised in Kingsport, TN, began her career in real estate 37 years ago as an affiliate broker. Over the past 28

*cont. page 2*

## Sharon Peebles Retires From TREC

### After 35 Years of Service

Ms. Sharon Peebles, Administrative Director of the Tennessee Real Estate Commission, is retiring from the State of Tennessee after over 35 years of service to the Department of Commerce and Insurance.



Sharon Slaughter Peebles was born and raised in South Pittsburg, Tennessee. She received a Bachelor of Science degree from Middle Tennessee State University in 1972. After graduation, Ms. Peebles began her long career with the State of Tennessee. She has three wonderful children: Tiffany, Geraldine, and Alex. She also has three beautiful granddaughters who are very devoted to their "Meme". Sharon loves children and has been a foster mother for 14 years with Residential Services, Inc. She was featured in a video made by the foster care agency to recruit other individuals to foster children. Sharon enjoys listening to gospel music

*cont. page 2*

## Valerie Joh...cont.

years she has been the owner and both a broker and principal broker of Blue Ridge Properties, Inc., which now includes five offices and approximately 75 agents in the Tri-City area.

An honors graduate of Dobyns-Bennett High School, Joh attended Agnes Scott College in Decatur, GA and finished at Katherine Gibbs School in Boston, MA. Joh continued her interest in education by earning the ABR, GRI, CRB and CRS designations. Her participation in the Association of REALTORS is evidenced by her election in 1982 as the Kingsport REALTOR of the Year, past President of the Kingsport Board of REALTORS and past Chairman of the Grievance, Arbitration and MLS Committees.

Commissioner Joh is active in her community where she now is serving her second term as Alderman on the Board of Mayor and Alderman in Kingsport. Her duties include Designated Alderman for Acquisition and Sale of City Property. Currently she also serves on the Kingsport Gateway Commission and is a Paul Harris Fellow for the Rotary Club. She has previously served on the Holston Valley Community Hospital Board, the Indian Path Hospital Board, the Kingsport Tree Board, and the Kingsport Planning Board. Commissioner Joh and her husband Gale have five grown children, three of whom are in the real estate business, and eight grandchildren. They also have two Paso Finos (gated horses originating in South America) and two dogs. Joh states she rides the

horses every chance she gets. Commissioner Joh and her husband have traveled extensively. However, since he retired from the Eastman Chemical Company they enjoy being at home surrounded by family and pets.

Chairman Haynes welcomed Commissioner Joh and stated that he looks forward to serving with her and knows she will find the Commission exciting and challenging.

## Sharon Peebles...cont.

and is an avid reader.

Ms. Peebles has resided in Murfreesboro, Tennessee for 37 years, but upon retirement has plans to move to Alabama to be closer to her family. She is an active member of the Providence Missionary Baptist Church in Murfreesboro where she has served as Church Secretary for 18 years. Sharon also serves in the Women's Missionary Society and is a member of the Mass Choir. Her faith has guided her throughout her career with the State of Tennessee and in her unselfish devotion to her church and her children and foster children. Her favorite quote is "The Lord keeps on blessing me, over and over again."

Ms. Peebles began her employment with the State of Tennessee Department

of Commerce and Insurance on September 16, 1972 as a Clerk and was promoted to Administrative Assistant in May of 1996. She was then promoted to Administrative Director, Regulatory Boards II in June 1997. Ms. Peebles continued her education throughout her career with the State of Tennessee by attending classes to help her grow as a manager and an administrator. In 2001, Ms. Peebles graduated from the Tennessee Government Management Institute and remains an active member.

After a few months of working in the TREC office, Ms. Peebles started keeping a list of all the employees who joined and left the staff of TREC. Over the years, the list has grown to 182 names. Of those 182, nine Executive Directors and two Interim Executive Directors have passed through the offices of TREC. It is a testament to

Ms. Peebles commitment to TREC that she has seen so many faces come and go throughout her tenure with TREC.

"Sometimes I feel I could write a book about the comings and goings in our office," said Peebles. "I have made many, many, many friends over the years, not only the ones that work or have worked in our office but within the entire Department of Commerce and Insurance and the real estate industry. I truly cherish everyone that I have come in contact with throughout my career."

Ms. Peebles will be greatly missed by the Commissioners and the entire office staff at TREC, the State of Tennessee and the numerous licensees she has helpfully served over her many years serving the people of Tennessee.

## Rule Changes Effective February 16, 2008

**Rule 1260-1-.01 Applications for Examinations** was amended to provide that no one shall be eligible for examination or considered for licensure unless two (2) years have passed from the date of expiration of probation, parole or conviction, or from the date of release from incarceration, whichever is later. This restriction applies to all felonies and to misdemeanors which involve theft. If an applicant appears before the Commission requesting licensure and is denied, that applicant will not be eligible for reconsideration for six (6) months from the date of the denial.

**Rule 1260-1-.12 Fees** was amended to add a penalty fee of fifty dollars (\$50.00) per month, or portion thereof for failing to timely renew a license. This penalty fee only applies to a licensee who reinstates his license within sixty (60) days following the expiration of that license.

**Rule 1260-1-.15 Errors and Omissions Insurance Coverage** is amended to specify that independently obtained errors and omissions insurance policies must be issued on the same terms and conditions as the policy obtained by the Tennessee Real Estate Commission. At a minimum, the limits of coverage, the permissible deductible, the permissible exemptions and the term of the policy must be identical to those of the TREC policy.

**Rule 1260-2-.33 Gifts and Prizes** was amended by deleting paragraph (2). The language in paragraph (2) was replaced by **Tennessee Code Annotated 62-13-302(b)** which states that a real estate licensee shall not give or pay cash rebates, cash gifts or cash prizes in conjunction with any real estate transaction.

**Rule 1260-2-.37 Septic System Inspection Letters** was added as a new rule. This rule states that a licensee preparing an offer to buy must provide in the offer and make the buyer aware that, for a fee, a septic system inspection letter is available through the Tennessee Department of Environment and Conservation, Division of Ground Water Protection.

# TIPS *From TREC*

**We thought we would share some tips and ideas that we have compiled from questions and comments.**

- 1) Remember if you change your home, mailing, or business address, you must notify TREC within 10 days. There is no charge for a home change of address, but it is important that TREC is aware of such a change. If your home address is your mailing address, make sure that both addresses get changed. This is particularly important if a licensee is retired, because home is then where all TREC mail is sent.
- 2) State mail is not forwarded—therefore, if you are not at the address TREC has in its system, your TREC mail will come back to TREC and you will miss important information.
- 3) Any affiliate licensee initially licensed between July 1, 1960 and July 1, 2005 will not be required to complete education to renew a license unless that license is good for a full two (2) years. However, any affiliate who receives a license which is good for 2 years will be required to complete continuing education to renew that license. If you are unsure of the length of your license, please contact the TREC office for clarification.
- 4) Please keep copies of every document that you send to TREC.  
If a document gets lost or the auditors have a question about a document, then you will have it readily available and that will expedite things for all of us.
- 5) The only two E & O insurance policies that will follow you when you leave a place of employment are RISC and Williams. If you have a policy with any other carrier, it will usually not follow you to a new place of employment. Please make sure when you change employers that you check to make sure that you have the required E & O and supply TREC with proof of same.
- 6) Principal Brokers—make sure that you send in Broker Releases in a timely manner for affiliated licensees who no longer work for you. TREC does not want you to be held liable for actions of affiliated licensees who do not work for

## Violation of Illegal Alien Employment Act Can Result in Loss of License

On January 1, 2008, the Illegal Alien Employment Act became effective. This statute, Tennessee Code Annotated 50-1-103, et seq. basically states that if an employer is found to have knowingly employed an illegal alien, then that employer could potentially have his/her license suspended. The key to compliance is to make sure that you receive from every individual you hire, the documents required under the Immigration and Reform and Control Act of 1986 and that each employee

fills out an I-9 form. The revised I-9 form, which changes the documents acceptable for verification of identity and employment eligibility, must be used for employees hired after 11/7/07. It can be found at [www.uscis.gov](http://www.uscis.gov). The Tennessee law provides that the employer must either have actual knowledge that a person is an illegal alien or must have failed to follow the procedures required to verify the employee's status. An employer will not be found to have violated the law if,

within 14 calendar days after commencement of employment, he has requested and received certain specified documents or he has verified immigration status using the federal E-Verify system. If a written complaint is received, an inspection/investigation will be conducted by the Labor Standards Division of the Department of Labor and Workforce Development. If there is a suspected problem, a contested hearing will be held before the

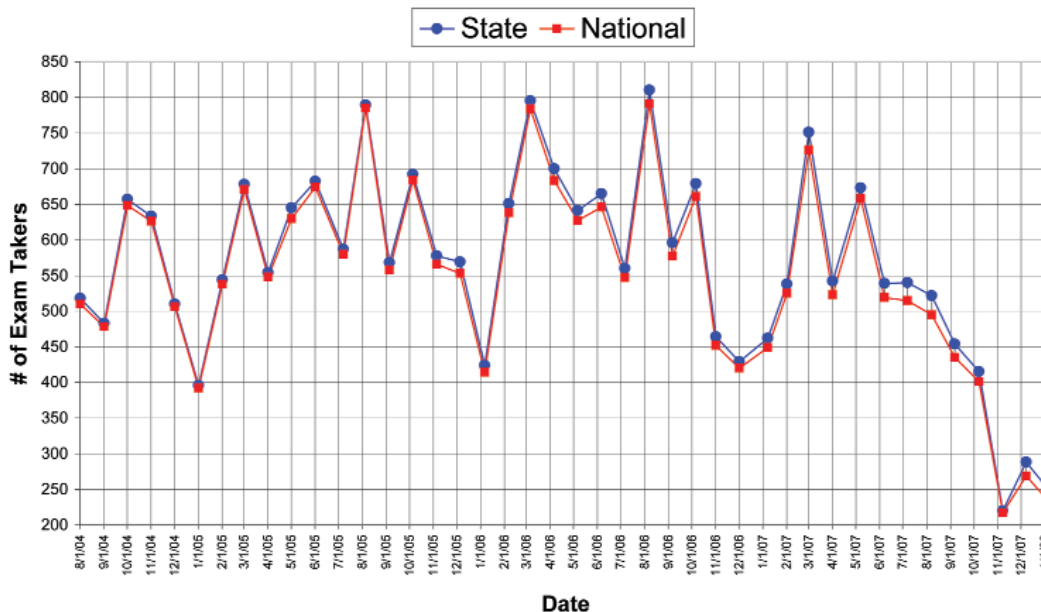
*cont. page 6*

## — Number of Testing Candidates Over Time —

Lately Commissioners have been reviewing statistics concerning individuals who are taking the Tennessee Real Estate Examination. One area they have viewed is the number of test taking candidates over time and they wanted to share the information with licensees. Please note the graph which appears with this article concerning

number of first-time test takers for the affiliate broker examination over time. The graph has been provided by H. Brant Huisman, Vice President of Marketing for the D&D School of Real Estate, who has gathered the information since 2004 from reports PSI (current contracted test vendor) provides to all pre-licensing schools on a monthly basis.

### First Time Exam Takers Per Month



## — DISCIPLINARY ACTIONS —

**NOVEMBER 2007****ALLIANCE REAL ESTATE SERVICES**

**Lic. No. FM258571**  
**Somerville, TN**

*The firm was assessed a civil penalty of \$250.00 for an escrow violation.*

**MAYLA S. BUCKNER**

**Lic. No. AF270411**  
**Crossville, TN**

*Ms. Buckner was assessed a civil penalty of \$500.00 for failure to answer a complaint.*

**REGINALD BURTON**

**Lic. No. PB57553**  
**Memphis, TN**

*Mr. Burton was assessed a civil penalty of \$1,000.00 for failure to properly supervise affiliates.*

**SANDRA WINDLE COOK**

**Lic. No. AF260667**  
**Kingsport, TN**

*Ms. Cook was assessed a civil penalty of \$1,000.00 for unlicensed activity.*

**TED L. MCWILLIAMS**

**Lic. No. BR266617**  
**Cookeville, TN**

*Mr. McWilliams was assessed a civil penalty of \$750.00 for failure to timely complete required education.*

**DIANA A. NORRIS**

**Lic. No. PB243620**  
**Crossville, TN**

*Ms. Norries was assessed a civil penalty of \$1,000.00 for failure to answer a complaint.*

**ALLEN J. SMITH**

**Lic. No. PB203054**  
**Kingsport, TN**

*Mr. Smith was assessed a civil penalty of \$1,000.00 for failure to properly supervise affiliates.*

**DECEMBER 2007****GARRY E. KING**

**Lic. No. PB260052**  
**Knoxville, TN**

*Mr. King as assessed a civil penalty of \$250.00 for an agency disclosure violation.*

**VICKI L. MARGIASSO**

**Lic. No. PB272896**  
**Powell, TN**

*Ms. Margiasso was assessed a civil penalty of \$250.00 for failure to complete required education timely.*

**VENTURES REALTY ASSOCIATION**

**Lic. No. F255608**  
**Knoxville, TN**

*The firm was assessed a civil penalty of \$1,000.00 for an escrow violation.*

**JANUARY 2008****EVERGREEN PROPERTIES**

**Lic. No. F255991**  
**Memphis, TN**

*Evergreen Properties was assessed a civil penalty of \$750.00 for failure to timely complete administrative measures.*

**GREG L. GILBERT**

**Lic. No. BR269676**  
**Ooltewah, TN**

*Mr. Gilbert was assessed a civil penalty of \$250.00 for failure to timely completed required education.*

**DENNIS D. GRAVES**

**Lic. No. BR17358**  
**Germantown, TN**

*Mr. Graves was assessed a civil penalty of \$300.00 for failure to timely complete required education.*

**GWENDOLYN HOUSE**

**Lic. No. PB261364**  
**Memphis, TN**

*Ms. House's broker license was*

*revoked for failure to report a criminal conviction.*

**DOUGLAS LEWIS**

**Lic. No. PB307098**  
**Mayhew, MS**

*Mr. Lewis was assessed a civil penalty of \$1,000.00 for failure to properly supervise affiliates.*

**SHERI MARTINDALE PRUITT**

**Lic. No. PB269930**  
**Jackson, TN**

*Ms. Pruitt was assessed a civil penalty of \$550.00 for failure to timely complete required education.*

**KAREN A. RIEDE**

**Lic. No. BR271827**  
**Chattanooga, TN**

*Ms. Riede was assessed a civil penalty of \$800.00 for unlicensed activity.*

**CHARLES SMITH**

**Lic. No. BR250257**  
**Clarksville, TN**

*Mr. Smith was assessed a civil penalty of \$1,050.00 for failure to timely completed required education.*

**JODI BARRINGER SMITH**

**Lic. No. AF274378**  
**Nashville, TN**

*Ms. Smith was assessed a civil penalty of \$1,000.00 for failure to disclose dual agency.*

**WILLIAM G. SOLLER, JR.**

**Lic. No. TS271165**  
**Pigeon Forge, TN**

*Mr. Soller's timeshare license was revoked for failure to report a criminal conviction.*

**TIPS...cont.**

you, but are still in the TREC system as your affiliate, because no paperwork has been received.

- 7) If a Principal Broker will/cannot sign a Broker Release, there is an Affidavit that an affiliate can submit stating same. This form can be found on the TREC website or you can request one be sent from the TREC office.
- 8) If you do not maintain an escrow account, you must have an escrow waiver on file. This form is available on the TREC website, or by calling the TREC office. It is a violation of the law to fail to

establish an escrow account, unless the waiver is approved and in place in your TREC file.

- 9) The Principal Broker does not have to be present during an audit. Another person in the firm can show the auditor the items which he needs. If the PB wants to sign the Inspection Report, then a copy of the last page can be left for a signature and it can then be faxed or mailed to the TREC office.
- 10) Please make sure that all license expiration dates are checked regularly. There were a large number of licensees whose licenses expired and no one seemed to notice for months.

Now that the licenses are expiring at all different times, it is especially important to keep up with expiration dates. The revised Reinstatement Policy makes compliance with its provisions a condition precedent to reinstatement, so in order to work without interruption, make sure you renew in a timely fashion.

- 11) All Commissions must be paid through the firm and to the licensee as that person's name appears on their license. A broker cannot pay a corporation or other entity set up by the licensee under Tennessee law.

**Illegal Aliens...cont.**

agency and if it is shown by clear and convincing evidence that an employer did knowingly hire an illegal alien, then the following actions will be taken: (1) If it is the first violation, the licensee's license will be suspended until the licensee can show that there is no longer a violation; and (2) For a second violation or subsequent violation occurring within 3 years from the initial violation, the license of the licensee will be suspended for 1 year. The law does not contain any appeal provisions, so it appears that once a determination is made, the licensee's license will be suspended.

Since this law is so new, it is difficult to determine how widespread the enforcement will be and whether or not there will be any challenges mounted against it. For now though, it is important that all licensees have employees fill out the I-9 and that they carefully check all supporting documents presented. Taking the time to verify before hiring should keep a licensee from facing the possibility of suspension down the road.

**TREC POLICIES ON WEB-SITE**

All current TREC policies are on the TREC web-site at: <http://state.tn.us/commerce/boards/trec/policies.html>  
Please review them frequently so that any changes concerning your license are noted. Policies can be added by the Commission or removed when they become obsolete or are replaced by rule or law.

"The Tennessee Department of Commerce and Insurance is committed to principles of equal opportunity, equal access, and affirmative action." Contact the EEO Coordinator or ADA Coordinator (615) 253-7685.



Tennessee Department of Commerce and Insurance. Authorization No. 335101, 40,000 copies. This public document was promulgated at a cost of \$.26 per copy. (Rev. 8/06)

## **TREC Contact Information**

(615) 741-2273 or (800) 342-4031

[www.state.tn.us/commerce/boards/trec](http://www.state.tn.us/commerce/boards/trec)

### **Personnel & Areas of Responsibility**

#### **Administration:**

Eve Maxwell

#### **Administrative Assistance**

Betsy Bowman

Kelly McDermott

Dee Mitchell

#### **Office Manager:**

Dennis Hodges

#### **Board Meetings:**

Kelly McDermott

#### **Complaints:**

Conell House

#### **Education:**

Kathy Riggs

#### **Licensing:**

Patricia Appleton

Hester Curtis

Kim Dorris

Gil Dyer

Rachel Fowler

Deborah Malugen

Karen Patton

Ruby Perry

Richard Thomas

Paula VanBuren

#### **Reception & Records Management:**

Ken Spurlock

Linda Wolfert

Jeff Meade

Errors & Omissions Insurance

Contractor for 2007-2008

#### **Rice Insurance Services Company, LLC**

Phone: (888) 248-2444

Fax: (502) 897-7174

Web: [www.risceo.com](http://www.risceo.com)

## **Department of Commerce and Insurance**

## **Tennessee Real Estate Commission News-Journal**

**Is published quarterly by the  
Tennessee Real Estate Commission**

---

### **Members of the Commission:**

CHARLES HAYNES, CHAIRMAN

Gallatin, TN

BEAR STEPHENSON, VICE CHAIRMAN

Clinton, TN

WENDELL ALEXANDER

Dresden, TN

GROVER COLLINS

Lewisburg, TN

GARY CUNNINGHAM

Nashville, TN

CAROL TATE

Memphis, TN

VALERIE JOH

Kingsport, TN

ISAAC NORTHERN

Memphis, TN

DAVID FLITCROFT

Knoxville, TN

Editor/Chief: Eve Maxwell

Executive Director

Editor: Kathy Riggs, Ph.D.

Director of Education

**Tennessee Real Estate Commission**

500 James Robertson Parkway, Suite 180

Nashville, TN 37243-1151

**Presorted Standard**

**U.S. Postage**

**P A I D**

**Nashville, TN**

**Permit #768**